

TURNING A DISRUPTIVE CRISIS INTO FUTURISTIC OPPORTUNITIES

Abstract

Rina Sanada, Procurement Manager at a leading multinational conglomerate, was in dire straits when political issues in South Africa disrupted the supply chain of one of their key products. However, with the assistance of Infosys BPM, Rina was able to promptly identify an alternative supplier in Australia, which not only helped mitigate the impact and ensure business continuity, but also reduced costs by 33%.





A bolt from the blue

Rina Sanada is a Procurement Manager at a leading multinational conglomerate, headquartered in Japan. As part of her role, one of her critical responsibilities includes sourcing material from various parts of the world, to ensure seamless manufacturing at their plants. She needs to efficiently manage the company's supply chain and ensure continuous production of their popular products. One such product is the submersible motor, used in oilfields by mining organisations.

Rina relied solely on a South Africabased supplier for sourcing a precious mineral, which is a critical component in manufacturing the submersible motors. However, unforeseen political issues in South Africa jeopardised its availability and the supply was about to be stopped immediately. This disruption left Rina with a serious challenge, as that was her only source of mineral. She was tensed about not meeting the technical requirements, which would result in complete stoppage of manufacturing of the submersible motors. The risks were high, as the interruption not only could potentially lead to a loss in revenue, but also put a dent on their reputation. It was imperative for Rina to find a solution quickly to avoid disrupting the manufacturing process, and maintain their high brand name.

Finding the right fit

Recognising the urgency and complexity of the situation, Rina promptly reached out to James Taylor, her trusted account manager from Infosys BPM. Rina had known James for a long time, thanks to the strong partnership between the two organisations, that spanned over two decades. Rina shared her ordeal with

James, and being well-versed with the organisation's way or working, he began analysing potential solutions. Together, they brainstormed the idea of exploring alternative suppliers especially in Australia, owing to their reputation for robust manufacturing industries.

After thoroughly researching potential partners, James identified two highly reliable and cost-effective suppliers in Australia. Excited by the potential solution, James presented the proposal to Rina.

Approach summary



James worked closely with Rina to source and test the products, to ensure that they met the required specifications. After the products were approved, negotiations were set up with the identified suppliers, so as to get the requirements right and secure the best possible price for the products. Finally, after their due diligence on the suppliers, Rina homed down to one supplier which had a proven track record of delivering high-quality components within tight deadlines.

They coordinated with the internal teams to draft a contract, and also established a business continuity plan (BCP) in case of any disruptions to the supply chain. This plan outlined the steps that would be taken to ensure that the company could continue to operate in the event of a supplier failure. It included information on alternative suppliers, inventory levels, and transportation arrangements.

Implementing the new supply chain solution came with its fair share of

challenges. The primary hurdle was tackling the design changes in the motor due to the new product. Coordinating between multiple stakeholders, including the new supplier and Rina's manufacturing team, demanded careful planning and effective communication. However, James and his team diligently navigated these challenges, ensuring that all legal, financial, and logistical aspects were meticulously handled to guarantee a smooth transition.



A resilient supply chain

The collaborative efforts between Rina, and James resulted in several benefits for the company. By swiftly identifying an alternative supplier, the company managed to ensure uninterrupted

production, mitigating potential revenue loss and customer dissatisfaction. The negotiations with the Australian supplier resulted in highly competitive pricing as well. They were able to reduce the costs

by ¥621,000, thereby making a significant 33% savings compared to the previous supplier. The reduction positively impacted the company's overall profitability.

Key benefits



This incident prompted Rina to have additional suppliers in different regions, reducing the company's reliance on a single source. The diversification enhanced resilience and reduced future supply chain risks.

The successful navigation of this challenging scenario to significant business value, further strengthened the relationship between the organisation. This successful project is a testament to the fact that even in a crisis, trust and confidence in the right partner can lead to multi-fold benefits and future opportunities.

*Names have been altered to preserve the identities of the people involved.

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